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SUBJECT: MUSLIM ENTRPRENEURS WELL INTEGRATED INTO REGIONAL ECONOMOY

REF: STATE 112468

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**¶1.** (SBU) Summary: On December 7, Consul General hosted a lunch for Muslim entrepreneurs and an NGO rep. Invitees discussed problems and trends within the local Muslim community and shared their thoughts on the up-coming Presidential Summit on Muslim Entrepreneurship in Washington (Reftel). In general, our interlocutors felt well integrated into the Russian economy and did not suffer from discrimination in business. Ethnic identity (for example, Bashkir or Tatar) was more important than religious identity. Preservation of cultural and linguistic heritage was more problematic than promotion of business opportunities within the Muslim community. End Summary.

Muslim interlocutors exchange views

**¶2.** (SBU) Our group of six, which included Post's four nominees to the summit, represented a broad spectrum of entrepreneurial activity. Nominee Ildar Gubayev is a large-scale entrepreneur. Founder of the regional financial institution UralfinPromBank, Gubayev is a property developer and has opened a chain of entertainment centers and fitness clubs based on American models. A self-described "Russified Muslim," Gubayev did not associate his business success to his ethnicity or faith. In his view, the relatively tolerant atmosphere in the Urals region offers the same business opportunities to anyone smart enough and willing to be successful.

**¶3.** (SBU) Nominees Radik Musin and Rafael Shikhov represent medium-sized business. The former chairs the Board of Directors of a regional bank, while the latter, a city council deputy, owns chain of domestic appliances stores in the region. As successful entrepreneurs, they said that their business success was unrelated to ethnic or religious origin. Though active in the local Muslim community, they had no faith-based business ties and did not specifically market or promote their businesses within the Muslim community.

**¶4.** (SBU) In contrast, our start-up entrepreneur, Rozalia Akhmatova, began her business by designing and sewing contemporary Muslim women's clothes. Ms. Akhmatova's business is the first business in Sverdlovsk oblast serving a specific market within the Muslim community. She has applied for a federal grant for small entrepreneurs and hopes to receive up to RR 300,000 (\$10,000) to rent premises, buy sewing machines, and advertise her products. In the meantime she and her future employees work in their homes, filling individual orders for modern Muslim apparel.

¶ 15. (SBU) Nominee Valeriya Tyumentseva, business consultant and law professor from Bashkortostan, brought a slightly different perspective to the group. She saw a greater connection between religious values, social norms and business practices in her region, where Muslims form a majority of the population. She felt that Muslim entrepreneurs were more successful working within their own communities and that business clans were respected and granted informal privileges in Bashkortostan.

¶ 16. (SBU) Nurzida Benzgier, who heads an NGO that supports ethnic and religious minorities in Sverdlovsk oblast, is very connected to the labor migrant community, mostly Central Asians working in the construction industry. She said she saw very little specific attention paid to these groups by Muslim businesses. These communities, which are by nature transient, do not generate much entrepreneurial activity.

Muslim entrepreneurs well-integrated into the regional economy

¶ 17. (SBU) In general, our guests felt they were well-integrated into the region's economic life and did not suffer from discrimination in their business dealings. After decades of assimilation during the Soviet period, there is little deviation from basic business and market principals, and with the exception of our start-up entrepreneur, no differentiation in marketing practices to Muslim and non-Muslim consumers. Even in the labor market, economic principals drive preferences: Migrant laborers from Central Asia are preferred in the construction market in part because of their cultural tendency to abstain from alcohol.

¶ 18. (SBU) The exception to this consensus was expressed by Ms. Akhmatova, who complained that she had been unsuccessful in registering a Muslim kindergarten, which she attributed as much to the restrictive Russian bureaucracy, rather than overt discrimination. She did, however, note that some women in her

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community have suffered from discrimination in the workplace for wearing the hijab.

Support for cultural traditions a part of corporate responsibility

¶ 19. (SBU) Though our businessmen did not consider corporate social responsibility an integral part of their business plans, all were involved in social/civic activity. All of our guests expressed the need to support institutions that preserve ethnic linguistic and cultural traditions, especially in the absence of support from local governments in non-Muslim majority regions such as Sverdlovsk oblast. Gulbayev, for example, said that he didn't feel he was a "real Muslim" anymore. Even though his life and his business made him a secular citizen, he still had respect for Muslim culture and values. For this reason, he has contributed significant sums to mosque construction projects which he hopes will support efforts to preserve religious ceremonies and cultural values. More broadly, however, our guests agreed that they shared responsibility to support civic projects without regard to any religious or cultural component.

Aspirations for the summit

¶ 110. (SBU) Our guests expressed the hope that the summit would provide the opportunity to:

\* Interact with lenders from Islamic countries who could offer cheaper loans to Urals businessmen suffering under the current Russian credit crunch

\* Discuss whether Islamic banking practices (such as offering interest-free credits) could be adapted to Russia

\* Examine social/civic practices of Muslim businessmen in Islamic states in order to strengthen the core of Muslim society in Russia

\* Establish links between business representatives from other non-Muslim majority countries

\* Discuss strategies for empowering Muslim youth to undertake entrepreneurial activity  
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